

Congratulations on deciding to expand to Turkey! Your company will soon reap the rewards of an expansion, from recruiting new, talented candidates to forming important business relationships around the world. However, you can't start to realize these benefits until you spend months learning how to set up a Turkey subsidiary and ensure you'll stay compliant.

That's where Globalization Partners can help. As a global PEO, we have subsidiaries around the world that you can use to expand faster. We'll act as the Employer of Record to handle all Turkey subsidiary laws on your behalf. You won't have to worry about hiring employees, instituting payroll, or figuring out compensation or benefits.

How to Set Up a Turkey Subsidiary

Setting up a Turkey subsidiary involves several important considerations before diving into the process. First, we recommend researching several areas in Turkey for your physical office. Different regions or cities can have different Turkey subsidiary laws that impact how easy or difficult it will be to incorporate. Choosing the right city will help you get started on the right foot and may offer better costs and availability.

Next, you need to look at the different entities you can use for the Turkey subsidiary setup process. The country's commercial code allows five different structures, including a joint stock company, limited liability company (LLC), collective company, partnership by shares, or corporate association. Many companies use the LLC structure — doing the same will protect your parent company and subsidiary from each other's actions.

The steps to set up your Turkey subsidiary as an LLC include:

- Submitting articles of association for both the parent company and the new entity
- Creating copies of passports for all managers of the subsidiary
- Signing a declaration from the managers showing that they accept their new positions
- Purchasing commercial books through the subsidiary's representative
- Opening a local bank account and depositing minimum share capital
- Notarizing all documents and submitting them to the Turkish Trade Register
- And more

Turkey Subsidiary Laws

Turkey's subsidiary laws will change based on what entity you're using. For example, LLCs need at least 10,000 Turkish Lira in minimum share capital to incorporate. You'll also need at least one founder or shareholder, who can be a natural person or legal entity, to register the company. Shareholders are limited in liability based on how much they contribute.

You cannot have more than 50 shareholders, but there are no restrictions on shareholders' nationalities. LLCs will also need one or more managers appointed by the chairman of the board. Board members do not have to be physically present for meetings and can attend them remotely if they do not live in Turkey. Since LLCs have much of the same freedoms as a residential company, you'll need to comply with the country's accounting principles, including annual financial filings.

Benefits of Setting Up a Turkey Subsidiary

Incorporating in Turkey will give you the freedom and flexibility to operate as if you were a native company. When you incorporate as an LLC, you won't have to worry about your parent company incurring any liability from the subsidiary, and the subsidiary can operate using its own independent structure.

While these benefits are great for your company, you won't start to realize them until you spend months setting up your Turkey subsidiary. If you fail to follow all of Turkey's subsidiary laws, you could also face fines or delays. Globalization Partners doesn't have the same time commitment. Choosing Turkey subsidiary outsourcing with us means you won't have to register your own entity in the country. You can use our existing PEO to start working in as little as a day, and we'll take on the risk.

Other Important Considerations

Choosing to expand on your own requires time, money, and the help of an expert. It can take between a couple of weeks to a couple of months to expand, which is before you can handle any other expansion tasks. You'll also need to set aside time and money to travel back and

forth to Turkey as you scout out a company location, recruit employees, and more. Finally, it's best to seek out the advice of an expert to make sure you stay compliant with Turkey's subsidiary laws.

Let Globalization Partners Help With Your Expansion

At Globalization Partners, we envision a world without barriers to expansion. Contact us today to learn how we can help you start working in Turkey faster through subsidiary outsourcing.